

1 A No, I do not know the specifics.

2 Q Do you know the, the, do you know the general
3 information if you don't know the specific information?

4 A No, just that services are provided.

5 Q You don't know on what basis.

6 A No.

7 Q Or what services.

8 A Correct.

9 Q Is the name George Horvath familiar to you?

10 A No, sir.

11 Q So you don't know if he provides any engineering
12 services for, for NMTV.

13 A I really don't know.

14 Q Now you know who Jim McClellan is, don't you?

15 A I do, sir.

16 Q Who is he?

17 A He is the manager of our station in Portland.

18 Q Do you know what his salary is?

19 A No, sir.

20 Q Now does NMTV employ an independent auditor?

21 A I do not know.

22 Q By independent auditor, I'm talking about a firm
23 that holds itself out to perform an auditing function that's a
24 firm of certified public accountants. That's what I -- I want
25 to make sure you understand what I mean.

1 A Yes.

2 Q Okay.

3 A We have to do that in our church so --

4 Q Sure. So you have knowledge of that.

5 A Yes.

6 Q Do you know whether NMTV employs such a firm?

7 A I do not know, sir. I would hope so.

8 Q Are you familiar with the term consulting engineer?

9 A I think I know what that means.

10 Q Do you know whether NMTV has a particular consulting
11 engineering firm that does work for it?

12 A I do not know.

13 Q And you, you wouldn't know the name of that firm.

14 A I, I wouldn't.

15 Q Now NMTV has employees, doesn't it?

16 A Yes.

17 Q Do you know how many employees NMTV has?

18 A I do not know the number. I know that we employ Jim
19 McClellan and a small staff, somewhere 8 to 10 people in
20 Portland.

21 Q Well, at the time that your deposition was taken,
22 you didn't, you didn't have -- you didn't know how many
23 employees NMTV --

24 A Correct.

25 Q -- had. Am I correct?

1 A Yes.

2 Q Since the time that you became a board member, have
3 you been consulted before any, any NMTV employee has been
4 hired or fired?

5 A No, sir.

6 Q Now you know as a going business that NMTV receives
7 bills, correct?

8 A Yes.

9 Q Have you ever received copies of any of the bills
10 that NMTV receives?

11 A No. I did see some statements in the, in the files.
12 I mean that's about it.

13 Q Who are NMTV's attorneys now as we speak to your
14 knowledge?

15 A Colby May and Mr. Joe Dunne and now Mr. Howard
16 Topel.

17 Q Do you know how often Mr. May, Mr. May's firm sends
18 a bill to NMTV?

19 A No, I don't.

20 Q Do you know how often Mr. Topel's firm sends a bill
21 to NMTV?

22 A No, I don't.

23 Q I want to ask you about Norman Juggert whose, whose
24 name you mentioned earlier. I told you that Mr. Juggert was
25 the --

1 A Kept the minutes.

2 Q Kept the minutes. Now to your knowledge, is Mr.
3 Juggert a lawyer for NMTV?

4 A No, sir.

5 Q Is he a lawyer for TBN?

6 A I believe he has provided legal counsel and services
7 to TBN.

8 Q If I was to tell you -- if I told you that Mr.
9 Juggert in the past has provided legal services to TBN, then
10 you can accept that as a fact. Is this the first time you've
11 heard that information?

12 A No.

13 Q So you are aware that he has provided legal services
14 to, to --

15 A Or advice. I, I --

16 MR. TOPEL: Objection, Your Honor. The first
17 question --

18 JUDGE CHACHKIN: Now wait a minute. Wait a minute.
19 You're talking about TBN.

20 MR. COHEN: Did I say TBN?

21 JUDGE CHACHKIN: Yes.

22 MR. COHEN: Then I misspoke.

23 JUDGE CHACHKIN: Yes.

24 MR. COHEN: Thank you, Your Honor. I, I apologize.
25 Thank you very much. I misspoke, and I want to start again.

1 BY MR. COHEN:

2 Q Are you aware that Mr. Juggert has provided legal
3 services for NMTV?

4 A I'm not aware of that.

5 Q So if I told you that he has provided legal services
6 for NMTV in the past, this would be the first time you've
7 heard that.

8 A I'm trying to not reconstruct but recollect the
9 documents. Whether his name has been there or not. I really
10 cannot answer accurately.

11 Q Thank you.

12 (Pause.)

13 Q Now am I correct that, correct that since you've
14 come on board as a director and an officer of NMTV you've had
15 no disagreements with Mrs. Duff in directing the affairs of
16 NMTV?

17 A That is correct. There's been two short meetings.

18 Q And in the time that you, since you've been a
19 director of NMTV, have there been any disagreements to your
20 knowledge between any of the directors of NMTV on what course
21 of action NMTV should take regarding any matter?

22 A There's been discussion of possibilities, different
23 possibilities, but no major disagreement, no.

24 Q There been any minor disagreements?

25 A If presenting possible alternatives to resolve the

1 same problem I don't -- I would not call that a disagreement.

2 Q Well, let me ask you this question. Have there been
3 any times when there's been a vote and the ones, some people
4 won and some people lost. Meaning people meaning directors.

5 A Yes. No. Not in the two meetings that I've been
6 in.

7 (Pause.)

8 Q Do you know -- as we speak, do you know whether NMTV
9 has any debts?

10 A Yes.

11 Q Okay. And do you know what the extent of those
12 debts are?

13 A I know there is a large debt to TBN.

14 Q Do you know the amount of the debt?

15 A \$5 million. I just learned that recently.

16 Q And when did you learn that, sir?

17 A When I spoke with the lawyers recently.

18 Q Within the last 2 weeks?

19 A Yes.

20 Q And you, and you were informed of that by Mr. Topel.

21 A Yes, sir.

22 Q He's the one that told you about the \$5 million
23 debt.

24 A Yes, sir.

25 Q Up to -- previous to the time Mr. Topel informed

1 | you, you had no knowledge of that. Am I correct?

2 | A That's correct.

3 | Q Do you know whether NMTV is owed any money by any

4 | entity?

5 | A Not at this particular point, no, I don't know.

6 | (Pause.)

7 | Q Now I want to ask you again about the, the April 20

8 | meeting.

9 | MR. COHEN: Is that, is that Exhibit 412? Is that

10 | right?

11 | MR. TOPEL: Yes.

12 | MR. COHEN: Would you, would you put that before

13 | yourself? What volume is that?

14 | MR. TOPEL: Seven.

15 | DR. RAMIREZ: It's right here.

16 | (Pause.)

17 | BY MR. COHEN:

18 | Q Isn't it true that Norman Juggert was present at

19 | that meeting?

20 | A Yes, sir.

21 | Q And why was he present? If you know.

22 | A I really don't know. That was my first meeting.

23 | Q It never occurred to you to inquire why he was

24 | there?

25 | A No, being a newcomer you kind of just watch and see

1 | what happens. I mean --

2 | Q Well, did you think he had a relationship to NMTV?

3 | A I just know him through the years and as a friend of
4 | TBN, and Dr. Crouch is a part of TBN. So that was that. I
5 | mean it beats me.

6 | Q So if he was --

7 | A I did not feel uncomfortable or felt that it was
8 | something strange. He was there.

9 | Q So if he was invited you weren't going to, you
10 | weren't going to raise any questions about it.

11 | A Oh, definitely.

12 | Q Because this was your first meeting.

13 | A Yes.

14 | Q Did -- subsequent to the meeting, did you ask
15 | anybody as to why Norman Juggert was there?

16 | A No.

17 | Q Never occurred to you?

18 | A No.

19 | Q Well, did you -- you must have thought he had some
20 | relationship to NMTV then.

21 | A No, sir. I mean he was there whether to give advice
22 | or to listen or to gather information, I didn't know why he
23 | was there.

24 | Q It never occurred to you then to inquire.

25 | A No.

1 Q It just seemed natural that he be there.

2 A Yes. Sure. Nothing strange about that.

3 (Pause.)

4 Q You don't know who invited Norman Juggert to the
5 meeting, do you?

6 A I don't.

7 Q And you never inquired.

8 A No, sir.

9 Q Now the subsequent meeting that you attended in the
10 summertime, was he, was he either present or was he on the
11 telephone?

12 A No, sir.

13 (Pause.)

14 Q I may have asked you this question before. And if I
15 did I apologize. But when you -- there came a time that you
16 realized that the minutes were incorrect of April 20, because
17 they didn't reflect that you were elected as an officer. And
18 if I asked you this question I apologize. But did you ever
19 bring that matter to Mrs. Duff's attention?

20 A No, I personally didn't. Didn't even realize it was
21 incorrect.

22 Q What do you mean, sir? Didn't you know that you'd
23 been elected vice president?

24 A Yes. No. You're asking about the date.

25 Q No, I'm sorry if I confused you. Let's start again.

1 I'm talking about the fact that the minutes don't reflect --

2 A Oh, that I was --

3 Q -- that you were elected --

4 A -- a vice president.

5 Q -- vice president. Did you ever --

6 A No, I've never raised that issue with her. And when
7 I received that letter that you brought forth, I assumed that
8 that's what it meant by my election.

9 Q Now you anticipated me. It's, it's true, isn't it,
10 that there were two sets of minutes for that April 20 meeting.
11 One -- am I correct? The dates were in error? Is, is --

12 A I believe so. The, the first ones there were
13 inaccurate.

14 Q Yes. Do you have any knowledge as to how that
15 inaccuracy came about?

16 A No, I, I have no recollection. And that is the
17 reason why you review minutes.

18 Q Well, one minute, and I'll show it to you, Glendale
19 Exhibit 89 --

20 MR. COHEN: I'll show it to him. I'll show it to
21 him.

22 BY MR. COHEN:

23 Q Glendale 89 states that the, the meeting occurred on
24 March 20th. You see that?

25 A Yes.

1 Q And then look at Bureau 412. Just to satisfy
2 yourself here --

3 A Well --

4 Q And you'll, and you'll see that it says April 20th.

5 A Yes.

6 Q When was the, when was the, the first time that you
7 became aware that there was a discrepancy in the dates of
8 those minutes?

9 A I can't recall right now when was the first time
10 that that was brought to my attention.

11 Q Well, it was brought to your attention during your
12 deposition. Was that the first time that, that you became
13 aware of it?

14 A I can't recall, sir.

15 Q Do you have any, do you have any knowledge as we
16 speak as to how it came about that there was this error?

17 A Oh, there's always human error.

18 Q I --

19 A That's why you review minutes.

20 Q Well, obviously you're right. But my question is
21 you have no knowledge as -- well, who -- do you know who, who
22 found the error?

23 A I can't recall. It might have been Mrs. Jane Duff
24 herself.

25 Q You don't know.

1 A No, I don't know.

2 Q It wasn't you.

3 A No.

4 Q Thank you. Have you inquired of, of Mrs. Duff as to
5 how the error occurred?

6 A No, I don't think I needed to do that. This is
7 people commit errors. It happens with my clerk of session
8 with church all the time.

9 Q I want to ask you a few questions about the minutes
10 regarding the Prime Time debt. And that's if you look at 412,
11 there's a reference there.

12 (Pause.)

13 Q You see that?

14 A Yes, sir.

15 Q Read to yourself the paragraph, fourth paragraph.
16 Then tell me when you're ready.

17 (Pause.)

18 Q Now tell me your best recollection of what was
19 stated concerning the Prime Time debt?

20 A It's stated here the number one they were unable to
21 pay it. And secondly that if the debt persisted or we
22 insisted in their paying back that they would be unable to do
23 it, and therefore they would either sell out or go out of
24 existence. And we felt that the programming provided was
25 needed for the, this specific region and without it there

1 would not, there would not be the kind of programming that
2 this station was carrying.

3 Q Who stated -- did one person state what you just
4 told us?

5 A No. This is everybody sharing and talking and
6 suggesting, and there was participation by everybody
7 concerned.

8 Q Isn't it true that Mrs. Duff presented this matter
9 to the board?

10 A I cannot recollect this. But certainly --

11 Q You can't recall.

12 A Yes, can't recall. But it makes sense.

13 Q Well, now you're reconstructing, right.

14 A Yes.

15 Q You don't recall.

16 A It's the logical person.

17 Q Do you know where the Prime Time station was
18 located?

19 A Odessa.

20 Q At the time of your deposition, you didn't know
21 where it was located, did you?

22 A Probably not.

23 Q Well, at, at your deposition on September 21,
24 lines -- page 68, line 14, I asked you do you know where the
25 station was located. And your answer was no, I did not know

1 anything about it.

2 A Um-hum.

3 Q And do you know if the station was a full-time or a
4 low-power television station?

5 A I do not know that.

6 Q Do you know how long the debt had been outstanding?

7 A No.

8 Q Do you know whether the debt was originally for
9 \$650,000?

10 A No, I don't.

11 Q Do you know as of April 1993 how long NMTV had been
12 considering forgiving the debt?

13 A No, I don't.

14 Q You never requested any written documentation or
15 report of any kind before you voted. Am I correct?

16 A Correct.

17 Q Why not --

18 A It was my, my first meeting.

19 Q Well, you were unsure. Is that it?

20 A No, I was not unsure. I was just my -- it was just
21 my first meeting.

22 Q Well, what's the relationship of, of that being your
23 first meeting to not requesting a written document or a
24 report?

25 A Well, you don't go into a new organization like gang

1 busters. I think that they would have -- my sense is they
2 would have complied if I had requested. I just did not feel I
3 wanted or I needed that information at that point.

4 Q You don't think that it would have been useful to
5 you in, in carrying out your responsibilities to have had a
6 written document that you could have studied before the
7 meeting?

8 A That would have been helpful, sure. But then again
9 I did not know whether I was going to be accepted. I mean I
10 did not know what the outcome of my election would be. This
11 is the very first time I'm there.

12 Q Well, when the discussion occurred, hadn't you been
13 elected?

14 A Yes, that is the same meeting.

15 Q Yes. Okay. But my question is now you're an
16 elected director.

17 A Yes.

18 Q Now in carrying out your duties as a director,
19 wouldn't you have been better able to do that if you had had a
20 written report or some kind of documentation --

21 A Oh, certainly.

22 Q You agree with that.

23 A Sure, that would have been desirable.

24 Q Yes. Did that occur to you?

25 A Not really at that moment. I, I felt that, you

1 know, there are some things appropriate at a given time.

2 Q Am I correct that, that you didn't want to, to raise
3 issues which no one else was raising because this was your
4 first meeting?

5 A No.

6 Q Am I correct?

7 A No, you're not correct.

8 Q Okay.

9 A The reasoning is that I agreed with the, with the
10 fact that these people were unable to, to pay. That this kind
11 of programming is needed in that area. And the whatever was
12 said there I, I processed it through my brain, and I made an
13 independent decision to vote. I could have abstained but I
14 voted.

15 Q Did you give consideration to abstaining?

16 A I can't recall.

17 Q You thought you had enough information to vote.

18 A Yes.

19 Q And you didn't, you didn't think you needed any kind
20 of written documentation or report.

21 A Not at that particular point for that particular
22 situation.

23 Q You didn't, you didn't feel you needed any, any
24 documentation before you voted.

25 A Not at that first meeting. Usually if I had been

1 already a board member, you know, with working and dialoging
2 (sic) and knowing more of the organization, sure.

3 Q But it's true that no documents were handed out at
4 that meeting concerning the debt. Am I correct?

5 A I think that is correct.

6 Q And it's true you can't recall who was the person
7 that proposed that the debt be excused. Am I correct?

8 A Yes. And there are many other things I don't
9 recall.

10 Q How long was the discussion on the matter?

11 A Oh, probably half hour, 45 minutes.

12 Q Well, at your deposition on page 66, I asked you at
13 line 10, "And how long was the discussion on this matter?"
14 And you'd say -- and you answered, "Oh, I'd say 15 minutes."

15 A Well --

16 Q Now I'm correct that until you heard the discussion
17 at the board meeting you knew nothing of this loan.

18 A Correct.

19 Q Isn't it true, sir, that the essence of this is that
20 you deferred to Jane Duff and E. V. Hill because you believed
21 they were more knowledgeable than you?

22 A That is incorrect.

23 Q That is incorrect.

24 A As I said in my deposition, I will not be used by
25 anybody.

1 Q You certainly did. Well, at page 66 of your
2 deposition, I ask you, "Why was it of significance to NMTV if
3 Prime Time went bankrupt." And you answered, "Well, as it
4 says there, you know, they share some values that also are
5 part of our values. And that's basically it, you know, that
6 we felt that it would be good. It was felt by those who were
7 more knowledgeable and knew the whole history that it would be
8 best for this station to just carry on." Question, "Who was
9 more knowledgeable, and who knew the whole history?" Answer,
10 "Well, Dr. Hill, Dr. Crouch, Jane Duff."

11 A That is correct.

12 (Pause.)

13 DR. RAMIREZ: Is it proper for me to add to my
14 answer?

15 MR. COHEN: No. Mr. Topel will give you an
16 opportunity --

17 DR. RAMIREZ: Okay.

18 MR. COHEN: -- on redirect. And you'll -- and I
19 think it's, it's best that he give you that opportunity.

20 (Pause.)

21 BY MR. COHEN:

22 Q Did you think it was charitable to forgive the debt?

23 A Most certainly.

24 Q Did you think that NMTV -- did you have any
25 knowledge at that meeting as to what NMTV's finances were?

1 A No, I did not have a complete picture, no.

2 Q At point -- in point of fact, you had no knowledge
3 as, at that meeting when you voted to forgive the debt as to
4 any aspect of NMTV's finances. Am I correct?

5 A Yes, other than, you know, we have bills to pay like
6 everybody else and to run a business. But not the nature and
7 the size.

8 Q Well, when you voted to forgive the \$650,000 debt,
9 you had no knowledge that NMTV owed \$5 million to TBN. Am I
10 correct?

11 A No. I was not aware of that.

12 Q And you thought it was a charitable act for NMTV to
13 forgive the debt.

14 A Yes.

15 Q Did you give any consideration at that time to
16 whether NMTV could afford to be charitable?

17 A It was not a big thought.

18 Q Did you give any consideration to that?

19 A No.

20 Q Did you give consideration to suggesting that NMTV
21 foreclose on the loan?

22 A NMTV foreclose.

23 Q On the loan. The debt was from Prime Time to NMTV.
24 My question is did you give any consideration at that
25 meeting --

1 A To cancel the --
2 Q To foreclosing. Suing.
3 A Oh, I see. I'm sorry. Okay.
4 Q Sure. Sorry if I confused you.
5 A Yes. No, given the nature of the station and what
6 they were doing and the shared values, etc., no.
7 Q But you had no, no, you had no knowledge as to what
8 the assets and liabilities were of that company, did you,
9 Prime Time?
10 A No. I was not aware of that.
11 Q Did you give consideration to proposing a revised
12 payment schedule?
13 A No.
14 Q Did you give consideration to suggesting a meeting
15 with the Prime Time officials to, to see if this could be
16 resolved?
17 A No, because there had already been communication.
18 That was part of the discussion. It was not like the request
19 came one day before, and then a decision had to be made. This
20 was the end of a process.
21 Q At the time you voted, did you have any knowledge of
22 what Prime Time's relationship was to TBN?
23 A Well, in the conversation that it, it was an
24 affiliate I believe.
25 Q But did you, did you know the, the extent of the

1 relationship?

2 A No.

3 Q All you knew was it was an affiliate.

4 A Yes.

5 Q Nothing more.

6 A Right.

7 (Pause.)

8 Q At the time you voted, did you know whether Prime
9 Time owed any money to TBN?

10 A No. I did not know that.

11 Q And at the time you voted, did you know whether TBN
12 had excused any debt from Prime Time?

13 A No.

14 Q At the time you voted, did anybody mention that
15 Prime Time was a debtor to TBN?

16 A Not to my recollection.

17 Q No one at the meeting stated what the, the amount of
18 the debt was from Prime Time to TBN.

19 A If it was stated, I don't recall.

20 Q Is this the first time you're aware that Prime Time
21 was a debtor to TBN?

22 MR. TOPEL: I object, Your Honor. I -- Mr. Cohen is
23 asking the witness questions that presuppose something. I
24 don't know if there's a predicate for that.

25 MR. COHEN: Well, the predicate is the joint

1 exhibit.

2 MR. TOPEL: TBN?

3 MR. COHEN: The joint exhibit. And I'll tell you

4 the, and I'll tell you the paragraph.

5 MR. TOPEL: Now, now that you say that, okay,

6 there --

7 MR. COHEN: I was --

8 MR. TOPEL: No, I recall --

9 MR. COHEN: I would never suggest that if I didn't

10 have a factual basis. I'm, I'm not that irresponsible.

11 JUDGE CHACHKIN: All right. In light of what Mr.

12 Cohen says --

13 MR. TOPEL: I, I recall the joint exhibit

14 establishes a --

15 MR. COHEN: Yes. And that's the only -- permits --

16 MR. TOPEL: But I haven't recalled any overt

17 predicate in the month that we've been here. Maybe, maybe it

18 occurred. But, but I'll, I'll accept that.

19 JUDGE CHACHKIN: All right.

20 MR. COHEN: Well, I'm concerned that Mr. Topel

21 thinks I was --

22 JUDGE CHACHKIN: Well, no, no. Mr. Topel has

23 withdrawn his objection. Go ahead with your questioning.

24 MR. COHEN: Okay. We have an exhibit in evidence

25 which states that, which states that the, as of the end of

1 1992, Prime Time's indebtedness to TBN under the notes was
2 \$207,493 plus interest of 9,749.

3 MR. TOPEL: What date was that, Mr. Cohen?

4 MR. COHEN: At the end of 1992 it states this --

5 MR. TOPEL: You're asking the witness -- excuse me,
6 Your Honor. The question was April '93 --

7 JUDGE CHACHKIN: He's establishing a predicate now.

8 MR. COHEN: I understand. But this, this doesn't
9 say -- this document certainly doesn't say that the
10 indebtedness has been paid. So what I'm saying -- all I want
11 to know is from the witness is is there any information
12 presented when you voted as to what the debtor-creditor
13 relationship was between TBN and Prime Time.

14 DR. RAMIREZ: If it was, I don't recall.

15 MR. COHEN: That's all I have on it.

16 (Pause.)

17 BY MR. COHEN:

18 Q The meeting -- the last board meeting that you
19 attended where there, where there were telephone participants
20 as well as personal participants. Was, was Colby May a
21 participant by telephone at that meeting? Let me help your
22 recollection, refresh it.

23 A Yeah.

24 Q In your deposition, I asked you at page 72, line 18,
25 now there was a meeting held. Where was that meeting held?

1 In Jane Duff's office. And who was present? And you
2 answered, "Physically in Jane's office were Jane Duff, myself
3 and Terry Hickey. And by phone it was Dr. Crouch, Dr. E. V.
4 Hill and our attorney, Colby May." Does that help your
5 recollection?

6 A Then I will sustain that, yes.

7 Q So now that you've had your opportunity to have your
8 recollection refreshed --

9 A Yes.

10 Q -- Colby May was a party to that --

11 A I believe so, yeah.

12 Q Thank you.

13 A I'll stand by that one.

14 Q Thank you.

15 A Yes, because of the nature of the issue, sure, he
16 had to be a part of it.

17 Q Now I want to ask you a question about Mr. May's law
18 firm and Mr. May. Are you aware, doctor, that Mr. May's law
19 firm had provided legal services for TBN for many years going
20 back into the '70s?

21 A Yes.

22 Q And you're also aware that, that Mr. May's law firm
23 had been providing legal services for NMTV since it was
24 organized in 1980.

25 MR. TOPEL: Objection.

1 MR. COHEN: Well, Mr. May and his predecessor law
2 firm. Point is well taken.

3 BY MR. COHEN:

4 Q Mr. May and his predecessor law firm had been -- let
5 me strike that question. Are you aware that since 1983 Mr.
6 May and his law firm had been providing legal services to
7 NMTV? Maybe you're not aware of that.

8 A No, I'm not aware. But I know he's been involved.

9 Q Tell me what the extent of your knowledge is
10 concerning Mr., Mr. May's law firm's representation of NMTV.
11 Or how long has it gone on to your knowledge?

12 A I don't know. Probably to the present day.

13 Q But when you, when you joined the board, and you
14 attended that second meeting, you were aware that Mr. May's
15 law firm represented NMTV.

16 A Yes.

17 Q And you were aware they had represented NMTV for
18 some time?

19 A Yes.

20 Q And you were aware -- were you aware that, that his
21 law firm also represented TBN?

22 A Yes.

23 Q And were you aware that he had, that his law firm
24 had represented TBN for some time?

25 A Yes.